

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Debt Conferences to Be Held Next Month

Roosevelt Agrees to Negotiate With Foreign Nations Which Paid December Installments

U. S. TO DEMAND CONCESSIONS

May Ask That Nations Return to Gold Standard and Reduce Arms

A new deal in war debts is now on the horizon as the first major development of the new Democratic administration. When President Hoover and President-elect Roosevelt met in conference at the White House January 20 with Norman H. Davis, Professor Raymond Moley and the secretaries of state and treasury, Stimson and Mills, and agreed to invite British representatives to Washington to discuss war debts and "ways and means of improving the world situation," they took a momentous step toward final settlement of America's \$11,565,000,000 debt against the world. They began a new, and perhaps the last, chapter in the tortuous history of reparations and war debts that have so hopelessly choked up the channels of business and international trade since the World War.

British First

Great Britain is given the place of honor in these new debt negotiations because she was first of all the debtor nations to meet the interest payments on the war debts when they fell due last December 15. In spite of the serious financial and economic difficulties of the British government, \$95,550,000 in gold was punctually transferred to the United States, and most of the debtor countries followed the British example, although five—France, Belgium, Poland, Hungary and Estonia—defaulted. The British request for a debt-revision conference was therefore agreed to at the Hoover-Roosevelt meeting. The British government has formally accepted the president-elect's invitation, and Premier Ramsay MacDonald and Chancellor of the Exchequer Neville Chamberlain are both expected among the distinguished group of British representatives to come to Washington immediately after the inauguration. It is thought probable that this will be the first of a series of debt negotiations to be held at Washington with each of the debtor nations and possibly with the defaulters as well. Each nation is to be handled separately, as it is the American policy not to allow a "united front" of debtor nations to be formed against us.

As the scope of the discussions was widened at Governor Roosevelt's suggestion to include not only the debts but concurrent economic conditions as well, there seemed some danger that the proposed meetings might interfere with the World Economic Conference to be held this spring for settlement of currency and tariff problems. Consequently, the British government, in accepting the invitation to Washington, asked that no final decisions be taken in the separate preliminary discussions on matters of general interest until they had been passed upon by the general economic conference. For this reason, it is now thought possible that the World Economic Conference may be held in Washington instead of at London as planned.

(Concluded on page 8, column 1)



—Shoemaker in Chicago Daily News
THE MODERN NERO

The Faith of the Student

These are days of anxiety and discouragement for everyone, and the students in the schools and colleges are not exceptions. As they look forward to the usually glad days of graduation they see skies overcast by uncertainty. What use can they make of the skills they are acquiring? What places will there be in which they can give practical effect to the training they are receiving? While seeking answers to questions of this nature they find it hard at all times to pursue their work of preparation with the zeal and enthusiasm which a more hopeful prospect might stimulate. Young men and women, facing as they are a future far from rosy, need the bolstering influence of a steady faith in themselves, their future and the work in which they are engaged. And they are not to be satisfied by the easy optimism of the Pollyanna school. They find scant comfort in the philosophy of Vash Young and other teachers of the doctrine that everything is all right if we only think so. It is a fine thing to be stout hearted. There is no use to whine, however hard one's lot may be. But account must be taken of the fact that the economic system is out of gear and that the security of everyone is either gone or endangered. Taking such ugly facts into consideration we venture to suggest certain items of faith to which a student may cling: He may be assured that the world of the future, like the world of the past, will find more use for an individual who has broadened his horizon than for one who has not; that greater opportunity for the exercise of talents will come to the one who has learned to practice industry, honesty, punctuality, courtesy, than to one who has not; that more chances in life will be discovered by the wide and careful reader and the close observer than will be found by the idler or the unobservant. He can be sure that the well trained will fare better than the untrained in adversity as well as prosperity, and he may safely assume that in a world of fewer chances, the necessity of sound and comprehensive training will be the more imperative. But that is not all. He may build upon a faith that his school work, well done, will give him more than food or shelter or the material ornaments of wealth. He may find strength in the belief that one who is educated, who has learned to see more of meaning in life, to appreciate the beautiful and recognize and value the true, will find a satisfying measure of happiness. Economic problems there will be, and they will serve as a challenge to the student to use his best intellectual powers in their solution; but the young man or woman who is enlarging the mental experience; who is developing the personality and fashioning a character in the light of wisdom, is surely traveling along paths of hope.

Cabinets of France and Germany Fall

Paul-Boncour and von Schleicher Forced to Resign After Internal Political Crises

HITLER NAMED NEW CHANCELLOR

Uncertainty Prevails as to the Future Because of Former Extreme Views

On January 28 came important news from Europe. The cabinets of two nations, Germany and France, had fallen, and control of these two governments was therefore to change. This seems rather a strange thing to Americans. In this country we are to have a change of government on March 4, but the administration which is to be displaced has been in power for four years. In France and Germany the situation is very different. Paul-Boncour, the premier of France, came into power last December, and General von Schleicher, the chancellor of Germany, had been in office but a month and twenty-five days when he was obliged to resign. This sudden and frequent overturning of governments (or administrations—the term "government" in Europe is used in this sense to mean about the same as our term "administration") arouses our curiosity, for we are accustomed to the workings of a very different governmental system. It is quite necessary, however, that we understand the political situations in the leading foreign countries. It is all the more important that we come to such an understanding at a time like this when we are so greatly affected by the developments in other lands. We should, therefore, take a little time to examine the recent developments in France and Germany. Let us consider first the case of France.

The French Government

There are in France, as in the United States, two houses in the national legislature. There is a Senate and a Chamber of Deputies. The most important of these bodies is the Chamber of Deputies. The members are elected, as members of the House of Representatives are here, from districts. In any particular district there may be many candidates for the seat in the Chamber of Deputies, for there are more parties in France than there are in the United States. If, as frequently happens, no candidate receives a majority of all the votes, there is a second election, and this time the man who receives the largest number of votes is declared elected. The president of France is chosen, not directly by the people, but by the two houses of the national legislature sitting together. The presidency is not such a powerful office as it is in the United States, the president of France occupying a position more like that of the English king.

The real power rests with the cabinet. At the head of it is the premier, and he selects the other members of the cabinet. The members sit in the national legislative bodies. They introduce important legislation. The cabinet has charge of the administration of the different departments of the government, just as the president and his cabinet have in the United States. In addition to this administrative power, the cabinet shapes national legislation. The premier and his cabinet hold office as long as they are supported by a

majority in the Chamber of Deputies. If the Chamber of Deputies votes against an important measure introduced by the premier, or if the Chamber votes by resolution that it no longer has confidence in the cabinet, the premier and his cabinet must resign. They are not obliged to resign if a vote in the Senate goes against them, but as a matter of practice, they usually do.

It is easy to see the reason behind this rule that the cabinet must resign upon an adverse vote in either house of the legislature, for if the legislature (parliament) is against them, none of the legislation they recommend will be enacted and no laws can be passed. When the premier and his cabinet step out of office, the president of the republic asks some leader in either the Chamber or the Senate to form another cabinet. That leader undertakes the job, then, of forming a cabinet; that is, of selecting men prominent in the different factions of the two legislative bodies who will stand together for some kind of legislative program and who, taken together, have enough influence to carry a majority. The would-be premier may try for several days to bring to his support enough of the factional leaders so that a majority in the Chamber of Deputies may be assured. He may then fail and give up the job of forming a cabinet. Another man is then entrusted with the task by the French president. He may succeed and the cabinet whom the new premier selects may secure a majority vote in the Chamber. He will then hold office until there develops some issue upon which the groups which have been supporting him no longer agree. Then he will fail to have a majority and will be obliged to resign.

The Party System

The situation is complicated by the fact that there are not just two great parties in France, as there are in the United States. There are about a dozen. There is never, therefore, government by any one party, but by a group or coalition of parties. These parties are not so clearly defined and permanent as the American parties, either. What is called a party in France is more like our progressive bloc in Congress, or the farm bloc, or a wet bloc or a dry bloc—a group which holds together somewhat loosely, but has not the character of definiteness which our Democratic and Republican parties have. It is not unusual in France for a man to shift from one party to another.

Under such circumstances it might be expected that cabinets would frequently fall in France, and so, as a matter of fact, they do. The shortness of the tenure of French governments (or administrations) is seen by a comparison with the situation in the United States. President Hoover was elected here in 1928 and he has held the office, even through a period of depression and unsettlement, for four years. Since 1928 there have been twelve cabinets, or administrations, in France, and the twelfth has just gone out.

It really does not mean so much to the French people when a cabinet changes, as it does to the American people when an administration changes, however. When Premier Herriot fell from power last December he kept his seat in the French parliament and is there yet. M. Paul-Boncour, who now gives up the position, will also keep his seat. A retiring premier may even take a place in the cabinet of his successor. It is not, therefore, a matter of changing the personnel of the administration completely, as will be the case in the United States next month. It is more nearly comparable to what the situation would be in the United States if the chairmanships of the important committees in Congress should change hands. It is not quite analogous to that situation, but it approaches it more nearly than it does the change which will take place in America next month.

The Present Crisis

We come now to the present French parliamentary crisis. The Paul-Boncour cabinet fell because it lost the majority in the Chamber of Deputies on the issue of raising taxes. Taxes in France are very

high. A recent report of the Foreign Policy Association estimates that 30 per cent of the national income in France is absorbed by taxation, whereas only a little more than 10 per cent of the national income is taken up as taxes in the United States. The burden of taxation is therefore three times as heavy in France as it is here, and even in the United States there are many complaints. There was strong objection when it was suggested last month that the income tax rates be raised in this country. In France, as in the United States, the problem of balancing the budget is before the national legislature. The Paul-Boncour government undertook to balance the budget by increasing the income taxes. Organizations of taxpayers opposed such action vehemently. The Socialists in the Chamber of Deputies declare that the budget should not be balanced at all. They say that at a time of depression such as this, the government

He has sought the establishment of a dictatorship, such as Mussolini maintains in Italy. He has called for the wiping out of Germany's obligations under the Treaty of Versailles and for the reestablishment of Germany in her old position among the nations. Hence his advent to power becomes a stirring event. An examination of the political situation in Germany indicates, first, that his power may be less than might be supposed, and second, that the immediate future in Germany is clouded by threatening uncertainty.

The government of Germany resembles that of France, except that the presidential office is more important. In case of emergency, the president may assume almost dictatorial power. He may authorize decrees which have the force of laws. He exercises this power when, in his opinion, the safety of the state requires it. On several occasions the decrees have been issued when the Reichstag, tied up as it has

to restore Germany to her old power. They want to scrap the treaties made since the war. They want to protect business interests against the threats of Socialism and Communism. They are strongly anti-Jewish, and advocate restrictions upon the privileges of Jews. They draw their chief strength from the big business interests, the landholders, the army officers, the middle classes who have lost most of their property as a result of currency depreciation since the war, young men and women who long idealistically for a return of the glories of pre-war Germany, and, in general, the discontented and those who hope for "a new deal." At the head of the Nationalists is Dr. Hugenburg, and at the head of the National Socialists is Adolf Hitler.

Between these two extremes we have the Center party, which represents the Catholic Church and moderate industrial interests. Its leader is former Chancellor Heinrich Brüning. Another of the parties between the two extremes is the Social Democratic party, which is made up of those members of the working class who are less radical than the Communists—who want social reform without revolution. Their program is similar to that of the British Labor party, and the Socialist party of the United States.

Recent German Politics

The Social Democratic party was in control in Germany for some time after the war, but by the time the depression got under way, they were definitely in the minority. From 1930 until the spring of 1932, Brüning was chancellor and he kept his power, sometimes by securing a majority in the Reichstag, and sometimes by issuing emergency decrees without Reichstag authorization. He was obliged to resign last spring, and then power passed to the more extreme conservatives. President Hindenburg called to power Franz von Papen, who represented the monarchists and the old army element. He ruled without consent of the Reichstag. He did not have a majority at all. He exercised power by ignoring the national legislature. With the consent of President Hindenburg, he thus established a sort of dictatorship.

But President Hindenburg did not want to maintain a government of this sort indefinitely. He did not want to do away permanently with the Reichstag and with every semblance of republican government. He wanted to choose a cabinet to his own liking—one that would represent, in his opinion, the interests of the whole nation—and yet he wanted that cabinet to work with the Reichstag. He did not want his chancellor to dismiss the Reichstag and call a new election whenever he failed to get a majority. And so about two months ago he called General von Schleicher to assume the chancellorship and select a cabinet. But finally, when the Reichstag was to meet and when von Schleicher saw that it probably would not support him, he insisted, so it appears, upon dissolving it and calling a new election. President Hindenburg would not consent and so he had to resign.

What of the Future?

Then it was that President Hindenburg called upon the firebrand Hitler to assume the chancellorship. What conditions were imposed upon him before he was given this office? Was he obliged to promise to maintain the republic? Was he forced to promise that he would resign if a majority of the Reichstag turned against him? What parties, or groups, in the Reichstag will support him? And will he be allowed to carry out the extremist policies in domestic and international affairs which he has advocated? Will the Communists, joined possibly by the Social Democrats, rise in revolt against him? If so, what will be the consequences? Answers to some, at least, of these questions may be apparent in a few days so that we can go on with our discussion next week. All that can be said now is that Herr Hitler has been obliged to accept so many fairly moderate leaders in his cabinet that the establishment of a dictatorship is unlikely.



SUCCESSFUL AFTER YEARS OF EFFORT

© Wide World Photos

Adolf Hitler, National Socialist leader, at last takes the helm over a confused and troubled nation.

should borrow money to meet its expenses. A similar argument is made by many economists in the United States. It is not pressed strongly in our Congress, but it is openly advocated by many members of the French parliament. And so, on the issue of increased taxation, the French cabinet fell. President Lebrun of France then asked Edouard Daladier, minister of war in the retiring cabinet, to form a new cabinet which, as we go to press, he is undertaking to do. Conditions will probably be sufficiently settled by next week so that we can explain the nature of the new French government and the alignment of parties under the arrangement which is worked out.

Hitler in Germany

A more dramatic situation has developed in Germany. Adolf Hitler, fiery leader of the National Socialists, or Nazis, as they are usually called, has become chancellor following the resignation of General von Schleicher. For several years Hitler has been regarded as a firebrand. He is an extreme nationalist. He is a militarist. From time to time he has advocated the seizure of power by revolution.

been by quarrels among the parties, has failed to enact legislation.

German Factions

Government by decree of this kind has been resorted to frequently since the depression became so severe in Germany. Before that time moderate parties which were committed to policies of maintaining the republic and of making no fundamental changes in the economic system, were in control and were able, by working together, to secure majorities in the Reichstag. Since the depression has affected the people so deeply, many of them have turned away from moderate counsels and have become extremists. There has been a rapid growth of Communism. The Communists are internationalists. They favor the public ownership of all industries and would extend a system similar to that which prevails in Russia to Germany. The chief strength of the Communists is among the workers.

At the other extreme there are the Nationalists and the National Socialists, or Nazis. These extremists favor the restoration of the old monarchy, or else the establishment of a dictatorship. They want

Many Communities Resort to Ancient Barter System

Thousands of Unemployed Find Way to Make a Living by Swapping Services for Goods

The spirit expressed by the saying, "Where there's a will, there's a way" is the driving force behind a relatively new movement which is spreading rapidly to different sections of the country. Thousands of people without jobs or money have formed unemployment cooperative organizations and are resorting to barter, both of goods and of services, as a means of subsistence. Between 500,000 and 1,000,000 Americans are said to be living under the barter plan or some variety of it. California heads the list with about 350,000; Washington comes next with approximately 75,000; Colorado, 40,000; Utah, 10,000 and in Minneapolis, Minnesota, 4,000 families look to this plan for their support.

It is true that only a meager standard of living is afforded by any of these organized cooperative exchanges, but, at least, they are satisfying the primary needs of destitute persons who would otherwise be dependent upon charity.

Students of history will recall that in ancient times, bartering was the only possible way to carry on trade. Money did not exist. Populations were small, scattered and mostly rural. Each community produced everything it consumed. Hence it was a simple process for early inhabitants to barter among themselves. Homer, Greek poet of the ninth century B. C., relates that one of his friends, Diomedes, traded 9 oxen for an armor, while another friend, Glaucus, had to give 100 oxen for an armor.

Moreover, bartering was a common practice in early American history. Shortly after the Revolutionary War, the newly organized union met with acute financial troubles. Most of the states were heavily in debt and individuals were having a difficult time to eke out a bare existence. The states printed enormous amounts of paper money so that they could make the payment of debts easier. But in so doing the currencies fell greatly in value, in many cases becoming practically worthless. During the time of currency troubles, the practice of barter was general. McMaster, in his "History of the People of the United States," gives this picture of Massachusetts in 1876:

The state was just then passing through one of those periods of gloom which so often . . . go before periods of great prosperity. The evil consequences of the war were everywhere making themselves keenly felt. The

year in all the states was one of unusual distress. The crops had indeed been good. In many places the yield had been great. Yet the farmers murmured . . . that their wheat or their corn were of no more use to them than so many bushels of stones; that produce rotted on their hands; that while their barns were overflowing, their pockets were empty; that when they wanted clothes for their families they were compelled to run from village to village to find a cobbler who would take wheat for shoes, and a trader who would give everlasting in exchange for pumpkins.

As a matter of fact, the system of barter nearly always has accompanied periods of financial or economic stress. But never before in this country has it been organized so well and on so large a scale as it is in the current depression.

Los Angeles County, California, is the chief center of the present organized barter movement. There are about eighty exchanges in operation in that county. Foremost among these is the Unemployed Relief Association, which has 37 branches supplying food to 135,000 persons. Here is the story told in the January 18 issue of the *Editorial Research Reports* as to how this association originated in the city of Compton:

. . . W. T. Birchfield, an old Klondike gold prospector and a veteran of the Spanish War, looking for food for his family, was permitted by a Japanese rancher to fill his sack with vegetables that were not being picked for lack of a profitable market. Birchfield shared this food with his neighbors, several of whom began to go out with him regularly and exchange their labor for farm produce. Eventually, the owner of the Compton Moving Company offered the group the use of a truck and space in his warehouse to store produce to be pooled and traded among those participating in the venture.

The original food exchange at Compton has now been supplemented by a shoe-repair shop, an automobile-repair shop, a printing shop for slips and forms, a woodpile where old railroad ties are sawed into firewood, a cannery, a clothing department . . . a milk department, and a community kitchen serving a midday meal to from 150 to 200 of the members.

But how can an organization such as this obtain buildings and rooms for its



IS A TYPEWRITER WORTH A PAINTING?

The old-fashioned practice of swapping has become widespread since the depression has made money scarce.

THOUGHTS AND SMILES

We are somebody's posterity—and now look at us!
—Philadelphia INQUIRER

Statisticians report that the average family is worth \$12,000. Just now that is a good tale to tell the marines.
—Buffalo COURIER-EXPRESS

A far-sighted statesman is one who can at least see, with the aid of a looking glass, that an extra session of Congress is coming.
—Washington POST

Conceit may puff a man up, but never prop him up.
—Ruskin

The French scientist who says the hatless fad often leads to mental disorders evidently is not aware that in many instances the practice is effect, not cause.
—Philadelphia INQUIRER

Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people.
—Henry Clay

In Glasgow a man has stolen twenty-three cushions. The police theory is that he was learning to skate.
—London PUNCH

Earth is our refuge whenever progress fails us.
—Russell Lord in FORUM

All this talk of more taxes just reminds the forgotten man that he's gone back to normalcy.
—Cincinnati ENQUIRER

A scientist has just discovered that plants grow better if the day is prolonged with artificial light. Further investigations prove that the plant which profits most from this treatment is the electric-light plant.
—London PUNCH

Another thing that has been demonstrated is that a car going sixty miles an hour will hit a concrete abutment just as hard this year as it did last.
—Indianapolis NEWS

Lincoln or even Jefferson might seem neither radical nor even liberal if transported bodily to 1933, but they were ahead of their eras.
—Heywood Brown

We have a hunch that if there is anything that would make the meek mad it would be to have someone insist they inherit the earth now.
—Philadelphia INQUIRER

PRONUNCIATIONS: Proust (proost), Strachey (stray-chee), Daladier (da-lah/de-ay—first a as in final), Lebrun (le-brun—u as in hung, n is scarcely sounded), Nazi (not'-see), Brüning (bruen'ing—u and e are pronounced simultaneous, the u as in rule and the e as in meet), Cuman na nGaedheal (kum'an nung-ayl'—u as in hum and sung).



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EXCHANGING CLOTHING FOR FOOD AND RECEIVING THE CHANGE IN SCRIP

The AMERICAN OBSERVER



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NO. 21

The Story of the Week

HERE is the record of Congress during the last week of January:

Senate. Passed the Glass banking bill by a vote of 54 to 9. The provision of the bill which would have permitted branch banking was changed so as greatly to limit its effect. As the bill passed the Senate, national banks may establish branches only in states where branch banking by state banks is permitted, and so the measure applies only to nine states. An amendment providing for the free coinage of silver at the ratio of sixteen to one, was defeated. This defeat indicates that proposals for currency inflation, of which a number have been brought forward, will fail at the present session of Congress. The Senate Agriculture Committee continued its hearings on the Domestic Allotment bill. Representatives of the meat packers appeared before the committee arguing against the bill, while representatives of farm organizations called for its passage and freely predicted revolution if farm relief were not granted. Senator Robinson of Arkansas introduced a bill, backed by prominent Democrats, appropriating more than \$1,500,000,000 of federal funds to establish an "Emergency Agricultural Refinance Corporation," providing ready cash for farmers by lending up to \$10,000 to farmers on first and second mortgages not totaling more than 75 per cent of the value of the farms. It would also postpone mortgage payments and cut interest rates. The Senate and House conferees agreed on a bill to make \$90,000,000 of Reconstruction Finance Corporation funds available for loans to farmers through the secretary of agriculture. This is to be known as the Seed Loan bill and was sent to the president. Although this fact has not been generally commented upon, the bill contains a provision which would immediately make effective one of the ideas of the Domestic Allotment Plan, for it authorizes the secretary of agriculture to require a farmer borrowing funds to curtail his production by 30 per cent.

House. Voted an 18 per cent cut in an

appropriation for prohibition enforcement, reducing expenditures from approximately \$10,000,000 to \$8,000,000, and forbidding "snooping" and purchase of "evidence." Debated appropriation bills. Ways and Means Committee held hearings on the Hill bill which would raise tariffs on goods imported from countries whose currencies have depreciated.

THE legislative wheels are moving very slowly,—so slowly, in fact, that some of the big appropriation bills making money available for the work of the government departments during the year June 30, 1933, to June 30, 1934, may not be passed at this session of Congress. In that case they will go over to the special session of Congress which Mr. Roosevelt is certain to call soon after he assumes office. All hope of passing revenue measures providing for the raising of money during the next fiscal year has already been given up, and so these tax problems are sure to go over to the extra session.

This inactivity of Congress in a time of great economic crisis has given rise to a stir of protest throughout the country. The Chicago *Daily News* cartoon, which is reproduced on page one of this paper, is a typical expression of the quite general feeling that Congress is failing in the performance of its duty. Complaints of this kind are nearly always made when Congress is in session, for it always moves slowly. A certain amount of delay is inevitable. Many of the problems coming before Congress are complex, and an effort by several hundred men (there are 435 members of the House of Representatives and 96 members of the Senate) to come to an agreement, or to reach a majority vote, on a complex problem is always difficult. Deliberation, and slow and tedious deliberation at that, is simply one of the features of representative government, and so those who favor democracy despite its weaknesses, will do well to maintain a degree of patience while witnessing the performance of legislative bodies.

When all this has been said, the fact remains that there is an unnecessary amount of grandstanding, of "showing off," of the playing of politics, and of foolishly dilatory practices in Congress. This is especially true of the Senate. If a senator is competent in the expression of his ideas, he could in nearly every case say about all that he needed to say on any bill in an hour's time. If he wished more material to go into the record, he could refer to printed matter. Lengthy, time-consuming addresses are ineffective as molders of opinion, or as clarifiers of thought. Furthermore, voting could just as well be done by all the members instantaneously through electrical devices. As to the playing of politics, the blame rests with the voters themselves, as much as it does with their representatives in Congress. Many of the inefficient or vicious practices of congressmen will continue until there develops a body of voters who can

tell the difference between a statesman and a demagogue.

MUCH significance has been attached to an interview made public by Dr. Rexford Guy Tugwell, economist, of Columbia University, in which Dr. Tugwell outlines a program looking toward economic recovery. His views are considered significant because of the fact that he is a close adviser of President-elect Roosevelt. While this interview, which was given to a representative of the New York *World-Telegram*, is not to be considered an official outline of the plans of the new administration, it may be taken as an indication of what the president-elect and his advisers are thinking about. Here is the plan as summarized by the *World-Telegram*:

1. Drastically higher income and inheritance taxes, particularly in the upper brackets; no sales tax.
2. A widespread public works program, possibly entailing \$5,000,000,000 at the start; direct relief to the indigent unemployed; intense stimulation to semi-public works projects, such as slum clearance, through the R. F. C.
3. Reduction in interest and public utility rates.
4. Sound currency; no inflation.
5. A budget balanced as to current expenditures, with repeal of the Eighteenth Amendment a factor in raising revenues.
6. Restoring the balance between wholesale prices, especially for agricultural products, and retail prices to consumers. The farm allotment bill, which already has passed the House, is expected to accomplish this for the farmer.
7. Rationalizing the intergovernmental debt settlements—perhaps by remitting the interest items in the total sum due—and by basing the debtors' capacity to pay upon their ability to transfer goods or money in relation to gold reserves and value. Also rationalizing foreign trade arrangements, such as tariffs, and perhaps seeking a vast new outlet for American raw goods and manufactures in Russia.

AN encouraging report, revealing a decline in deaths resulting from accidents, was recently made public by the National Safety Council. Last year 29,500 people were killed by automobiles as compared with 33,740 in 1931, a drop of 13 per cent. This gain is somewhat tempered by the fact that there was a decline of 6 per cent in motor vehicle registrations and of 6.84 per cent in gasoline consumption in 1932. However, the figures leave no doubt that progress has been made in safe driving.

The report also shows that there was a decline in accident fatalities resulting from all causes in 1932—90,500 as compared with 100,240 in 1931, a drop of 10 per cent. Likewise the general death rate was lower than in any year in our history except 1921 and 1922—70.5 deaths per 100,000 population.

THIS week has seen a marked increase in decision of action by the League of Nations. For more than a year, an undeclared war has been raging in the Far East between two signers of the League Covenant, which condemned aggression, the Briand-Kellogg Peace Pact, which renounced war, and the Nine-Power Pact, which guaranteed the territorial integrity of China. For more than a year, the League has hesitated to make a decisive pronouncement on the situation.

But on January 27, an historic date for the League, the Assembly committee considering the Chinese-Japanese dispute, made public their report. They specifically cleared China of all blame for the conflict on Chinese soil since September, 1931, and accused Japan of aggression in forcibly separating an important part of Chinese territory from China. As to the new state of Manchukuo, the League report stated that it is not in reality an independent state, as the Japanese claim, but an organization set up by Japan against the will of the Manchurian people. The Japanese government is reported deeply to resent the League criticism, and has threatened to withdraw from membership in the League, retaining as spoils of the World



THE CHASE!

—Talbot in Washington News

War, complete possession of the Pacific islands assigned to Japan only as temporary mandates under the League. Whatever the outcome of the League's decision, however, its importance in the history of world relations cannot be exaggerated. For the first time in history, the machinery of the League has made it possible to arraign one nation before the bar of the public opinion of the world, and formally to condemn military aggression.

The principle of non-recognition of territory acquired by aggression, first pronounced in connection with the Japanese invasion of Manchuria by Secretary Stimson, was supported for a second time by the League of Nations last week when the League Council summarily warned Peru that it must withdraw from its military occupation of the Colombian town of Leticia. This League action supported the position taken by the American government in the dispute between the two South American countries.

Another great principle of world relations today, the principle of equality in armaments or in disarmament, a principle which Germany has insisted upon since she joined the League, will be tackled by the disarmament conference when it reconvenes at Geneva February 2. This principle must be written into the disarmament treaty which the conference will draft as a substitute for Article V of the Versailles Treaty disarming Germany. A compromise must be found by which Germany may be given equality in arms, while her neighbor countries are at the same time guaranteed security against attack. The conference will also take up the new British proposal for the abolition of all fighting airplanes and the establishment of an international control for civil aviation so that it cannot be used for attack.

ANOTHER manifestation of one of the most acute phases of the present farm problem became apparent last week. The New York insurance companies, which hold mortgages on farms in Iowa, decided to suspend foreclosures until the Iowa state legislature has time to enact measures for the relief of the farmers. A total of almost \$200,000,000 in farm mortgages is involved. The New York companies took this action after a month of considerable friction between them and the Iowa farmers. Attempts to sell farm properties because of the farmers' failure to make payments due have been deeply resented by the Iowans. They have made united efforts to prevent foreclosures. Early last month, a group of Iowa farmers, 800 strong, forced the price of a farm being sold under the hammer from \$3,000 to \$33,000, the insurance company being the purchaser.

An effort to ease the mortgage situation in Nebraska is being made by Governor Charles Bryan. He has appointed a board of conciliation, made up of seven members, the principal duty of which will be to work out "a fair and equitable settlement" between the farmers whose property is mortgaged and the persons who hold the mortgages.—W. E. M.



THERE'S NO MONOPOLY ON TROUBLE

—Brown in N. Y. HERALD-TRIBUNE

WITH AUTHORS AND EDITORS

We read old books for their excellence, but new ones to share in the mental life of our time.—SATURDAY REVIEW OF LITERATURE.

About Technocracy

Interest in technocracy has swept over the country like wildfire during recent weeks. Perhaps that interest is now on the wane, especially since the split in the ranks of the technocrats last week indicated by the disavowal of Howard Scott, technocratic leader, by the Columbia University group. It has been freely predicted that the popular interest in technocracy would disappear very shortly, and this may be true. It would be unfortunate, however, if the public should lose sight of certain facts which the technocrats have advertised. It is a fact that the efficiency of production has increased very rapidly of recent years, and there is much evidence to support the contention that the processes of distribution have been such that the power of the people to purchase goods has not kept pace with increasing production. It is certainly a fact that unemployment was a serious problem even before the depression and that it threatens to remain a serious problem, even should business conditions become much better than they are at present.

It is worth while, then, to study carefully the issues which have been brought to public attention by the group known as technocracy. Literally hundreds of magazine articles have appeared on the subject. It is scarcely worth while to list these periodical discussions, because practically every magazine has carried some kind of explanation or criticism of the theory. More permanent contributions have appeared through the publication of several books. Graham A. Laing, professor of economics in the California Institute of Technology, has written a short but valuable discussion of less than a hundred pages, called "Towards Technocracy" (Los Angeles: The Angelus Press. \$1.50). This book comes with an introduction by Charles A. Beard.

Professor Laing does not explain in detail the theories of technocracy, but he does cover much the same ground that the technocrats cover in his brief chapters on the problems of production and distribution, on money, the price system, and its weaknesses. He then takes up the different plans which have been proposed by which it is hoped that our economic system may be rendered more stable and more serviceable. He expresses the hope that it may be rendered workable through economic planning, without resorting to the revolutionary changes which technocracy calls for.

Stuart Chase, who has long been interested in problems incident to the mechanization of industry, takes up the question of technocracy in a pamphlet of about thirty pages. He calls it "Technocracy—An Interpretation" (New York: John Day Company. 25 cents). He explains the

historical development of the organization known as technocracy, and its theories, and he criticizes the conclusions of the technocrats in a moderate and, on the whole, sympathetic fashion.

An authorized, or official, presentation of the theories of technocracy are supplied in a booklet called "Introduction to Technocracy" by Howard Scott and others (New York: John Day Company. 90 cents). This has the advantage of being a statement of the case prepared by the leaders of the movement, but it has a disadvantage of being so poorly organized and written as to impair its usefulness.

Lafayette

Younger students of American history—classes in the junior high school and the early years of the senior high school, particularly—should find Jeannette Eaton's "Young Lafayette" (Boston: Houghton Mifflin. \$2.50) entertaining and instructive. It is the story of Lafayette's life, beginning with his early childhood and placing special emphasis upon his activities in America. It takes him from his boyhood days in the village of Auvergne through the period of his youth in Paris, and it tells, then, of his interest in the American cause, his expedition to America, his joining the American army, his relations with Washington, and his influence in arranging for the peace which resulted in American independence.

The emphasis is nicely balanced between the personality of Lafayette and the facts relating to his individual career, and, on the other hand, the political events of that stirring period. It is not a critical book. It is idealistic and romantic. It does not sift conflicting theories to arrive at authentic fact, but it does present vividly and even excitingly one of the great stories of American history, for, as the author says in the concluding sentence of her book, "Even now we hold no story in our annals more romantic or beloved than that of young Lafayette."

An Adventurous Life

An interesting biography of a very interesting man is "Bula Matari-Stanley, Conqueror of a Continent," by Jacob Wasserman (New York: Liveright, \$3.00). The author, who is a well-known German novelist, thinks that Henry M. Stanley ranks with Columbus and Marco Polo as a discoverer and explorer, and he has written an account of Stanley's adventures which may well convince the reader of the justice of that conclusion.

Stanley's early life was one of hardship but the hardship soon merged into adventure. He spent his childhood in an English work house and was brutally treated. He ran away at fifteen, secured passage to America as cabin boy, deserted

at New Orleans, later joined the Confederate army, was captured and joined the Union army, later was in the navy, became a reporter and reported Indian wars, went to Turkey, was captured by bandits, reported a war in Abyssinia, and was finally given a commission by a New York newspaper to go into the heart of Africa and find Dr. David Livingstone, missionary, who was lost and generally believed dead.

Then began his real adventures. His experiences in the unexplored jungles, his adventures with the natives, his skill in controlling them, the eventual rescue of Livingstone, all this makes a story of heroism which the world should never forget.

Criticism of Economic System

Few books on the depression have attained the high quality of John Strachey's "The Coming Struggle for Power" (New York: Covici-Friede. \$3.00). Mr. Strachey's analysis of the capitalistic system is clear and logical; his interpretations of economic history are profound and philosophical; his suggestions as to the future organization of society upon communistic lines are well reasoned. It becomes apparent from the very beginning that his work is propagandistic. He is concerned with building up a case for communism as the only economic and social system capable of solving the many maladjustments and ills of society.

Mr. Strachey has the intellectual facility of seeing through problems in their entirety. He never permits himself to wander off on tangents. As a result, he has given us a thorough picture of the economic system that developed from the feudal period of history. He minces no words when he tears into the so-called depression economists with their panaceas. John Maynard Keynes, with his plan of a managed currency, Sir Arthur Salter with his economic internationalism, Lawrence Dennis, with his plan to salvage capitalism by returning to Thomas Jefferson's conception of economic life—all are objects of his scorn. Nor is Mr. Strachey more kindly disposed toward the liberal statesmen of the world. He is vehement in his denunciation of the British Labor party of which he was formerly a member. In his view, Ramsay MacDonald and the other leaders in charge of the government during the Labor régime have betrayed the workers—the ones from whom they received their political support. Mr. Strachey believes that these political leaders have been more interested in saving capitalism than in doing anything for the workers.

Mr. Strachey is convinced that capitalism is now in its final stage. This thesis he builds up by analyzing economic conditions characteristic of the system. The four principal characteristics which he asserts will be developed to such a degree as finally to kill capitalism are: the growth of monopolies within countries; the ever-increasing tendency toward economic nationalism as seen by more tariffs, trade restrictions and other impediments to international commerce; unstable money and the impossibility of stabilizing it; and,

finally, the recurrence of depression.

One of the unusual features of Mr. Strachey's book is that it does not confine its treatment to economic theories. He treads into the field of literature and attempts to prove that three of the greatest modern writers, Marcel Proust, D. H. Lawrence and Aldous Huxley, have sensed the feeling of a dying age in the world's history. He attributes the melancholy spirit permeating their works to the realization of a rapidly decaying capitalism.

Whether one accepts Mr. Strachey's conclusions about our economic system or not, his book may be read and digested with profit by all thoughtful people. To do this is not an easy task, for the subject discussed is so momentous and complex that it requires much thought and concentration. It should be added that this is a book for mature readers. It is too difficult for any except the most gifted of high school students, particularly those with a knowledge of economics.

John Galsworthy

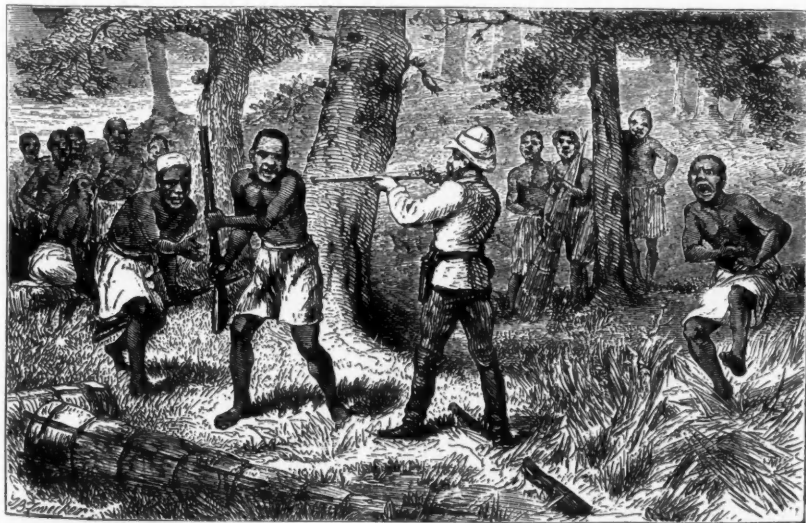
John Galsworthy, who for many years has stood in the first rank among writers of the English-speaking world, died on January 31 at the age of 65. Last fall, he was awarded the Nobel Prize for literature—a distinction which had gone to but two other Englishmen. In 1907, the prize was given to Rudyard Kipling, and in 1925, it went to George Bernard Shaw. Mr. Galsworthy, who had been ill for a number of weeks, was not able to go to Stockholm to receive the prize which had been awarded to him.

About twenty novels, as many plays, and a considerable number of essays and short stories came from the pen of Mr. Galsworthy. But his reputation rests chiefly upon his work as a novelist. He had not intended in his early years to become a writer. He trained for the practice of law. He had an independent income and was thus in a position, within limit, to choose his profession, and when the young woman whom he was to marry encouraged him to write, he began the writing of stories.

The best known of the Galsworthy novels are a series dealing with the Forsyte family. Among them are "The White Monkey," "The Silver Spoon," "The Swan Song," and "On Forsyte 'Change."



LANDING IN SOUTH CAROLINA
(An illustration in "Young Lafayette")



THE MUTINY ON THE GOMBE RIVER

One of the exciting adventures of Captain Stanley in Africa as told by Jacob Wasserman in "Bula Matari-Stanley, Conqueror of a Continent."



WE discussed last week the definite clash of economic interests between the North and the South preceding the Civil War. We saw how all the people of

*Secession
Issue
Settled*

one section of the country were arrayed against all those of another region and how their interests were so violently opposed as to make an open conflict inevitable. Since that time, the nation has had many problems equally as serious, divisions of economic interest just as marked, but none of these has ever given rise to the threat of disunion as in 1860. The fundamental difference between the economic conditions in the former period and those prevailing today is one of geography. We do not find at present any particular geographical section of the country the economic interests of all the people of which are directly opposed to those of the people of another section. In considering the permanent effects of the Civil War upon our national life, due stress should be laid upon these economic changes and upon all other developments which have contributed to the welding of the states into one permanent and indissoluble union. Let us, therefore, turn our attention to the more important issues that were clarified by the war between the states.

Primarily, the Civil War settled the question of state sovereignty versus national sovereignty. From the adoption of the Constitution to the time of the crisis, the line of demarcation between the rights of the states and the rights of the federal government had never been clearly defined. But with the war, and the victory of the North, it became definitely established and accepted that the federal bonds were of such a nature as to prevent any state's disrupting them by secession.

There is the further fact that the states admitted to the union since the Civil War have entered the republic under different conditions than those obtaining with the thirteen original states. The new states joined the union with a clear understanding of the limitations placed upon their sovereignty. Their territory had previously been a part of the national domain. They did not seek to join hands in a loosely knit federation as the states had done under the Articles of Confederation. Thus, none of them had the historical tradition of complete independence and sovereignty as the original states had.

Far more important than these constitutional and historical issues settled by the Civil War, however, are the vast economic changes to which we have already referred very briefly. Fundamentally, it is these changes that make future secession extremely unlikely. They have transformed the geographical struggle into a class struggle. They have developed new interests and new clashes. Today, we find not only a cleavage between the industrial interests and the agricultural groups of the population but also an entire class, the laborers, those whose livelihood depends entirely upon the wages paid by industry, is engaged in a struggle against the manufacturers, the business

leaders, the employers; in a word, the capitalists. Thus, it becomes a conflict, affecting not different geographical sections of the country but cutting through the entire population.

Time and time again, evidence of the division between the industrial interests and the labor interests on the one hand, and between industry and agriculture, on the other, has been manifest. Particularly apparent does it become during periods of acute depression, such as the present. On several occasions, the two have united and formed definite political movements, hoping to better their lot by legislative action. It was the severity of the depression of 1873 that gave birth to the Granger movement. Twenty years later, the workers and the farmers brought into being the Populist movement, designed to combat the industrial and financial interests of the East. The most recent manifestation of the division of economic interests was during the last depression—that of 1920. At that time, labor and agriculture walked hand in hand under the banner of the Farmer-Labor party, seeking to gain political power in the 1924 election by placing the La-Follette-Wheeler ticket in the field.

None of these independent movements, however, has been successful in its attempt to seize political power. All have gone down in defeat in the political arena. And yet, their efforts and activities have not been completely barren. Each of the movements has agitated for class rights and class equality until, in the end, the major political parties have adopted at least parts of their programs and enacted them into legislation.

Nor should it be supposed that the present crisis has been devoid of movements like those known in previous depressions.

*Conflict in
Present
Depression*

True, no independent political movement of important dimensions has arisen. But there has been, and is, a strong undercurrent of surging resentment on the part of the agricultural and labor interests. The constant demand for farm relief, resulting first in the creation of the Federal Farm Board to lift agriculture from its slough of depression; the more recent Do-

mestic Allotment Plan designed to raise prices of farm products; the sporadic farm strikes against existing economic conditions; the perpetual cry against tariff benefits to industry at the expense of agriculture—these and other activities have been the farmers' protest against conditions under which they have been living since the close of the World War.

On the side of labor, there have been fewer manifestations, due largely to the fact that its sufferings are of more recent origin. The industries which were depressed before the debacle of 1929, such as coal mining, have seen strikes and bloodshed. Organized labor, represented nationally through the American Federation of Labor, however, has become more militant as the depression has become more acute. Threats of strikes if industry persists in wage-cutting and fails to absorb a large part of the unemployed by shortening the workday and workweek have been echoing throughout the country. Then, too, the two workers' political parties—the Communists and Socialists—are a force which sends chills up the spines of those who fear violent action from the laboring classes if economic conditions do not improve in the near future.

But the present depression has failed to unite the two classes into a political party as did the crisis of 1920. Perhaps this is due to the fact that, traditionally America is a two-party country and the different classes feel that they can further their ends better by working through the parties already in existence than by attempting to establish a new party. Thus, in a national election, the farmers and workers rally to the candidates and the parties most likely to favor their demands and needs. In this respect, the United States differs markedly from the other industrial countries of the world. Great Britain, Germany, France and most countries of Europe, have political parties representing exclusively the laboring classes. For more than thirty years, these parties have been an important factor in European politics. The British Labor party and the German Social Democrats have worked for labor legislation such as old age pensions, unemployment insurance and minimum wage laws, and to

a certain degree they have been successful.

While no such parties are found in the American Congress, there are politicians in both parties, those belonging to the so-called progressive or left wings, who are striving constantly to obtain the same results as the working class parties of European parliaments. They are dissatisfied with the present state of affairs. They want to inaugurate changes that will result in greater economic justice to all classes. They are constantly pushing social legislation measures—unemployment insurance, old age pensions, direct relief appropriations and the like.

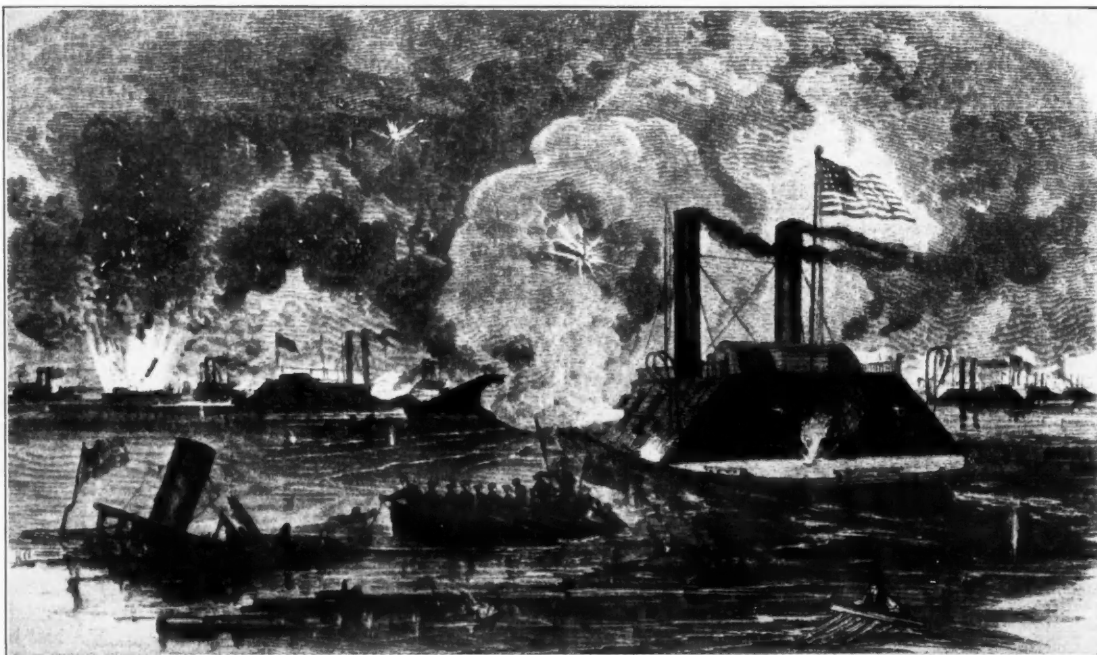
That there is today a strong undercurrent of feeling among the agricultural and labor classes of the population is clearly recognized by careful students of social conditions. President Hoover's committee on the social trends which recently made its report declared that there is

*Danger of
Violence
Seen*

today a strong possibility of revolution in the United States, unless decisive steps are taken to coordinate the various branches of our national life. The Senate Committee on Agriculture has recently been warned by two prominent farm leaders that the farmers will rise up in rebellion if something drastic is not done immediately to better their lot. Just how long the working classes will remain docile with more than a quarter of their number jobless and the rest threatened with further pay cuts, with total factory payrolls 61 per cent lower than they were three years ago; just how long the farmers will confine their protests to words when their gross incomes have dropped off more than 50 per cent during the same period—these are among the vital problems confronting the nation today.

Admitting that the clash of interests now existing becomes more positive and assertive in the future than it has been in the past, one fact appears relatively certain. It will not result in secession as it did in 1860, for the present division transcends geographic lines; it is horizontal rather than vertical. Whatever may be the future course of this country, whether it be gradual evolution of the present economic and governmental system, or the overthrow of existing institutions by violent revolution, the issue

cannot be settled upon sectional lines as it once was. The underlying forces now working for a change realize that the whole nation must go together, that one section divorced from the other could only aggravate conditions and result in chaos. However much the groups advocating a change in our economic system—the socialists and the communists, the liberals and the fascists—may differ as to method of attack, the ones recommending one course, the others a different procedure, no group is recommending today that the nation be divided politically into two or more nations. The economic interests are so interwoven as to make clear-cut geographical distinctions impossible and to make union of all sections a necessary requisite to any action.



—Courtesy McKinley Publishing Company
SETTLING THE QUESTION OF WHETHER A STATE HAS THE RIGHT TO SECEDE FROM THE UNION
Since the Civil War, dictated by a clash of economic interests between North and South, no state has even considered withdrawal from the Union.

Halsey W. Wilson Renders Vital Service to Library and School

In 1889 two students of the University of Minnesota formed a partnership for the purpose of dealing in student textbooks and supplies. It was a small venture carried on in cramped quarters and the two young partners, Henry S. Morris and Halsey W. Wilson, were for a time obliged to conduct a morning newspaper route as the book shop did not return enough to meet their college expenses.

But America was thriving in those days and small enterprises usually succeeded if managed with due energy and initiative. In this particular case both qualities were present in abundance. The business grew to such proportions that Mr. Wilson, seeing a future in it, acquired his partner's interest and laid the foundations of the H. W. Wilson Company which was one day to become widely known as publisher of the *Reader's Guide to Periodical Literature*, the *Book Review Digest* and other periodicals of great value and interest to students.

It was not long before Mr. Wilson was able to detach his business from the university and locate himself in his own building. His future was assured. However, he was not satisfied to remain a mere trader in books. He saw that something very vital was lacking in the book world. There were an abundance of books in print. Magazine articles were coming from the presses at an increasing rate. There was no lack of material for any student. But, there existed no systematic way of keeping track of these thousands of books and magazine articles. It was ex-



© Bachrach
H. W. WILSON

tremely difficult and often impossible to run down desired information. This was a handicap to the bookseller, to the student and to the general reader.

Mr. Wilson, himself annoyed at never being able to find anything, began to wonder if there were not some way of developing a catalog of books. Such a thing was practically unknown at the time. The idea, once implanted, grew upon him. He decided upon a new venture. He would publish a cumulative book index, which, he thought, could not be expected to prove a profit-making enterprise, but which might be self-sustaining and surely of service to booksellers and readers.

The first year brought him three hundred subscribers, not enough to pay expenses, and good business did not appear to warrant its continuance. But Halsey W. Wilson was something more than a business man. He was enough of an idealist to recognize that he was performing a service by indexing book titles and decided to carry on. Little by little the business grew and by 1904 it was on sound ground. It was at that time that Mr. Wilson began publishing the *Reader's Guide to Periodical Literature*, in which he listed the magazine articles of important periodicals according to title and author. For the first time students were able quickly to gain access to whatever information they needed.

The following years marked the rapid expansion of the H. W. Wilson Company. Gradually other publications were added, such as the *Book Review Digest*, a valuable summary and appraisal of every new book, the *Debaters' Handbook Series*, the *Industrial Arts Index*, the *Reader's Guide Supplement* and the *Agricultural Index*. In 1913 the business was moved to White Plains, N. Y., and later it was transferred to New York City where it now occupies a large five-story building and annex.

In many respects the growth of the



IN THE OFFICES OF THE H. W. WILSON COMPANY

H. W. Wilson Company is similar to that of thousands of other businesses. It has been a common thing in America. But Mr. Wilson has done something more than develop a business. He has provided the keys which have unlocked the shut shelves of thousands of libraries. He has made careful research possible to students through his complete bibliographies.

The days before the advent of the Wilson periodicals have been called the "dark ages" of the libraries. Today, no library can hope to serve its customers unless it keeps on hand one or more of the Wilson guides. The libraries have, of course, recognized the value of the services rendered by the H. W. Wilson Company and the various publications are to be found nearly everywhere. However, it is often the case that the reader does not know that these helps are at his disposal. Too frequently there is a vast amount of fruitless and aimless searching for material on specific subjects. The student will find, by turning to the *Reader's Guide*, the *Book Review Digest* or any of the other indexes that he can quickly and certainly locate anything that has been written on any particular subject.

what is probably a financial operation of the greatest magnitude the world has ever seen—the conversion of the British war loan bonds from 5 per cent to 3½ per cent.



© Acme
NEVILLE CHAMBERLAIN

chequer, or treasury, nearly \$150,000,000 a year at one stroke.

The hero of this historic operation has had wide experience in financial and government administration, having begun his public career in 1911 as a city councilman and chairman of the Town Planning Committee of the City of Birmingham, where he was born in 1869, and which he has represented in parliament since 1918. As a former member of the British Central Control Board on Liquor Traffic and a former minister of public health, Neville Chamberlain has a widely varied background of public service, that makes his opinions particularly valuable to Americans. One of the notable features of his last government budget, from an American point of view, is that its appropriations for agricultural loans and land settlement grants were doubled as compared to former years, while total expenditures for world war veterans and pensions were reduced to less than \$200,000,000.

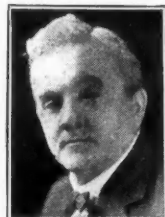
Norris Sees Hope for Muscle Shoals Program

When Governor Roosevelt put the seal of his approval on the principle of government operation for the giant \$165,000,000 nitrate and water-power plant at Muscle Shoals, Alabama, he made Senator George William Norris of Nebraska a figure to be reckoned with in the coming Congress.

For twelve years, the veteran leader of the Senate Progressive bloc has fought a losing battle for government operation. Twice his bills authorizing it at Muscle Shoals have been passed by both House and Senate, only to be killed by presidential veto, once by Coolidge and once by Hoover. Now, at last, victory seems in his grasp. He plans early introduction of a new government-operation bill, and predicts that this time "we have a man in the White House who will help us put it through." A Bull Moose with President Theodore Roosevelt in 1912, Norris has been something of a thorn in the side of stand-pat Republican regulars in the Senate ever since. Last year, he bolted his party to support Governor Roosevelt for president, with the result that Roosevelt's victory has increased his influence in the Senate.

A native of Sandusky, Ohio, in 1861, Norris worked through farm summers and harvests in order to pay his way through school. Graduated from Baldwin University, Ohio, and the Northern Indiana Normal School, he studied law and was admitted to the bar in 1883. After moving to Nebraska in 1885 he practiced law and served three terms as prosecuting attorney. From 1903 to 1913 he was a member of the House of Representatives, leading the fight against "Cannonism." Since then he has been four times elected United States senator. He has, however, indicated that he may retire if his Muscle Shoals program is enacted. He apparently thinks that his work will have been done when he adds this achievement to the passage of the Lame Duck amendment.

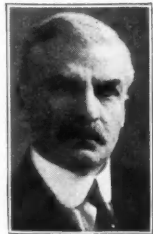
Leticia, the town in South America over which Colombia and Peru are disputing, has had a romantic history. In 1867 a young engineer was sent down the Amazon river to establish a town. He had an English sweetheart named Leticia Smith. Loneliness for her led him to name the town Leticia although his superiors had given him other instructions. After his work was done he returned to find his Leticia only to learn that she had eloped with another. The story has it that he never laid eyes on her again but the town has kept the name of Leticia.



© H. & E.
GEORGE W. NORRIS

Thomas J. Walsh May Be Attorney General

If Governor Roosevelt chooses Senator "Tom" Walsh as attorney-general, he has chosen to lean toward the progressive or more liberal wing of the Democratic party, in the opinion of many political observers. For twenty years Thomas James Walsh, senior senator from Montana, has been one of the stormy petrels of the United States Senate, and his uncompromising handling of the witnesses during the Teapot Dome



© H. & E.
THOMAS J. WALSH

oil scandal hearings ranked him as the outstanding prosecuting attorney of that body. Day by day and month by month, as chairman of the Senate committee investigating the government oil leases made under the Harding administration, his indefatigable questioning of witnesses finally brought to light a tortuous trail of questionable financial dealings that led to the cabinet itself and put a former secretary of the interior in jail.

As presiding officer of the famous deadlock Democratic National Convention at New York in 1924, chairman of the Chicago convention that nominated Roosevelt last summer, and a delegate to every Democratic National Convention since 1908, his shock of gray hair, beetling brows and piercing dark eyes are familiar to every follower of national politics. He is a decisive chairman of political gatherings and an aggressive debater on the floor of the Senate, and his persistent and determined fight against privilege and graft through-

out his long legislative career have made him a recognized leader of the liberal group at the Capitol.

Born at Two Rivers, Wisconsin, in 1859, he graduated from the University of Wisconsin, and has law degrees from both Wisconsin and Loyola University. He started life as a teacher and became principal of the high school at Sturgeon Bay, Wisconsin, then turned to the practice of law with his brother in South Dakota. In 1890 he settled at Helena, Montana, and has been a member of a law firm there since 1907. His interest in a political career began in 1906, when he ran as a Democratic candidate for Congress. In 1913 he was first elected United States senator, and has held office ever since, sharing in the Roosevelt landslide last year. His thorough legal training has been a considerable asset to the Democrats throughout his career, and for five consecutive presidential campaigns he has been a member of the so-called platform committee, to draft the campaign platform for the Democratic party.

NEVILLE CHAMBERLAIN

Next month, when the British war-debt negotiators come to Washington, Neville Chamberlain, chancellor of the exchequer of the British government, will probably be among them.

Chairman of the so-called Unionist or Conservative party in Great Britain, the Right Honorable Arthur Neville Chamberlain was given his cabinet post by the British Labor leader, Premier Ramsay MacDonald, when he formed his Coalition or National government in November, 1931. Faced with a national economic emergency judged equivalent to the dangers of war, the new head of British government finances achieved the balancing of the British budget, and successfully manipulated

Negotiations to Settle War Debt Question Will Be Held in March

(Concluded from page 1)

Perhaps the most important factor in the American point of view toward the coming discussions is the beginning of a change away from the traditional American opposition to any revision or cancellation of the debts. Heretofore, the attitude of Congress, and a large part of the American public, has been uncompromisingly against debt reduction under any circumstances whatsoever. This position was explicitly stated in a Senate rider to the resolution passed December 23, 1931, approving the Hoover one-year moratorium for war debts, which read as follows:

It is hereby expressly declared to be against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner cancelled or reduced; and nothing in this joint resolution shall be construed as indicating a contrary policy, or as implying that favorable consideration will be given at any time to a change in the policy hereby declared.

More recently, there has been a considerable trend of feeling toward the conclusion that a reduction of the debts owing us may prove to be not only necessary from the point of view of world economics, but of real advantage to us as much as to our debtors. No business can prosper when its clients are bankrupt, it is argued, and similarly American farmers and manufacturers cannot prosper so long as their foreign clients must spend a large part of their available funds on interest on the war debts instead of spending it on American wheat or American factory goods. This point of view now has a number of supporters in Congress, among them, Senator Borah, Republican Progressive chairman of the Foreign Relations Committee, and Senator Robinson of Arkansas, Democratic leader of the Senate.

Attitude Changing

This changing American attitude has led to an inclination among American negotiators to bargain or "trade" in the coming debt negotiations, to offer to reduce debts if the foreign nations, in their turn, will reduce expenditures on armaments, for example, or undertake to return to the gold standard. European disarmament and the gold standard, therefore, are probably the outstanding general economic questions to be discussed at the debt revision talks. A demand that England particularly should return to the gold standard has been widely mentioned as a bargaining point in the negotiations with Great Britain, although no specific reference to it was made in the formal invitation.

The American point of view on the British gold standard is that when Great

Britain stopped gold payments or "went off gold" in September, 1931, it had a very serious effect on American foreign trade by reducing price levels, first in Great Britain, then in the countries with currencies based on sterling, and finally on the world market. The immediate effect of Great Britain's giving up the gold standard was to cheapen production costs for the British manufacturer and to raise the cost of dollars in terms of sterling. Thus, a British shoe manufacturer, for example, paying his workers in depreciated sterling, would be able to produce a pair of shoes that would still sell on the British market for one pound sterling, as before the change, but that would now cost only about \$3.25 in American money instead of nearly \$5.00 as before. This would, of course, mean a serious competition for American shoe manufacturers, and an increased export of British products that could be sold in the United States more cheaply than we could produce them. This actually took place, for although official figures show a decrease in British exports to this country during 1932, this slump was due to general depression conditions and would have been much greater if it had not been checked by the government's going off the gold standard.

Britain and Gold

The same thing took place in most of the countries with currencies based on sterling. They abandoned the gold standard when Great Britain did, immediately cheapening their production and stimulating their export trade, in competition with American exporters. Finally, since England has been for many years a controlling center of world trade, when British prices fell, world prices fell, and American exporters had to sell their products at reduced prices in the world market. Half the world now has depreciated money and cheapened production, against which American producers must compete, and in spite of our tariff walls, we can buy today Czechoslovakian furniture or Japanese electric light bulbs, for example, at lower prices than American manufacturers can produce them. For this reason, many Americans regard the gold standard as a legitimate bargaining point in the coming debt negotiations.

Foreign Viewpoint

The British point of view is, in the first place, that the debt settlement this time must be a final one. As the British chancellor of the exchequer, Neville Chamberlain, said in a speech January 24 at Leeds, outlining the British policy, "there can be little doubt that until the nightmare of these inter-governmental obligations has been laid to rest, we cannot hope that confidence among nations will be restored or that we can compass that financial and economic recovery which has been so long delayed." Although Chamberlain did not refer to it, there is undoubtedly in the background of all English thought on the debt question the memory that after the wars against Napoleon, a hundred years ago, when England was in exactly the same position as the United States today, with practically all Europe heavily in debt to her, the British government completely cancelled and wiped off their books all but two mil-

lion pounds of the sixty million pounds sterling owed Britain by her allies. The traditional British policy was that "no arrangement could be wise that carried ruin to one of the countries between which it was concluded."

In the second place, it is pointed out that Germany, at the Lausanne Conference, last summer, practically refused to pay the reparations as stipulated in the Versailles Treaty and later agreements, and the European allies agreed to reduce to less than a billion dollars all the reparations due to them from Germany, if they could get a corresponding reduction in their debts to the United States. It is felt that if this generous provisional settlement with Germany could be made effective by a reduction of the American debts to an amount equal to that to be collected from Germany, international trade would at once be released from its burden of heavy gold transfers between countries, and America as well as Europe would at once benefit from revived trade. Debt reduction, it is argued, would not work a hardship on America, first, because it would free European money to buy our goods and, second, because the billion and a half dollars already received by the United States in war debt payments have in reality been paid out of new private loans from American bankers. It has been an evil circle, with Germany borrowing from American citizens to pay the allies, who in turn pay the American government. Since the depression, Americans are unwilling or unable to make further loans, Germany has refused further reparations payments, and the allies have no money with which to pay the war debts and are even in some cases prevented from earning the money by our own high tariffs. The breaking of this deadlock and the resumption of normal trade, Great Britain feels, is as important to the United States as to the other nations.

A Warning

As for the gold standard, British public opinion is decidedly against using it as a bargaining point, and is inclined to resent American suggestions in this direction as an interference with British domestic affairs such as we ourselves would never tolerate. With the dangerous depression in British manufacturing industries and the present critical financial situation, it is pointed out that depreciation of sterling is the only possible method left to Great Britain to earn the money with which to meet the debt payments. If the United States should insist on further debt payments, Neville Chamberlain warned at Leeds, still further depreciation of sterling might be the unavoidable result. Great Britain, it is pointed out, has suffered greatly in international trade through having forced its currency back to full par value after the war when all the countries of Europe had allowed considerable inflation and British business can no longer stand the strain of meeting international obligations in gold.

Chamberlain's warning that sterling might have to go still lower if war debts are continued, has been bitterly denounced by some Americans as a "threat" against the United States. Retaliatory action by Congress is already evident in repeated public references to the Senate rider in the 1931 moratorium agreement, and in arguments for still higher American tariffs. The Hill bill, for example, which is now before a House committee, would raise the present American tariffs on imports



THE GRIST IS RUIN

—Fitzpatrick in St. Louis Post-Dispatch

from countries with depreciated currencies. Unless the Washington debt negotiations succeed in adjusting this situation, we are on the verge of an economic war more far-reaching in its effects than actual warfare. The real goal of the Roosevelt conferences next month, therefore, is economic disarmament for the world, which would be far more effective than any military disarmament could be.

IRISH ELECTIONS

The general elections which were held in the Irish Free State on January 24 resulted in victory for Eamon de Valera and his party, the Fianna Fail. In the new Dail, or Irish parliament, Mr. de Valera will be supported by 77 members of his party, or a clear majority of one, since there are 153 seats in the Dail. Consequently, he will not be obliged to depend upon the support of the Irish Labor party, as he did prior to the recent elections. Because of the gains made by the Fianna Fail, it is expected that the present Dail will remain in office for a full term of five years. The new party line-up is as follows: Fianna Fail, 77; Cumann na nGaedheal (the Cosgrave party), 49; Center party, 10; Independents, 9; Labor party, 8.

STRIKE AFFECTS FORD

As a result of a strike in the Detroit plant of the Briggs Manufacturing Company, makers of automobile bodies, 100,000 employees of the Ford Motor Company were thrown out of work on January 26. When the Briggs workers went on strike because of a wage dispute, Mr. Ford claimed that he would have to shut down his factories and assembling plants throughout the country. Mr. Ford, however, regarded the activities of the Briggs workers as more than a strike. He asserted that it was a "plot" on the part of New York bankers to injure his business. This, he claimed, they would be able to do through the Briggs Company upon which Mr. Ford is almost entirely dependent for his bodies. These charges were emphatically declared to be ridiculous by the accused bankers. After several days of inactivity, Mr. Ford informed the Briggs officials that if they did not start furnishing him with the needed bodies at once, he would undertake himself to make his own bodies and become independent of conditions in other organizations.

A report issued last week by the International Labor Office indicates the extent of world unemployment. By the end of 1932, according to its calculations, there were 30,000,000 jobless throughout the world involving a loss in wages of \$21,000,000,000 a year.



BOTH IN A PICKLE

—Kirby in N. Y. World-Telegram